

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

May 14, 2003

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IN RE:

BELLSOUTH TELECOMMUNICATIONS,
INC. TARIFF TO INTRODUCE CCS7
ACCESS ARRANGEMENT SERVICE

DOCKET NO.

~~02-00024~~

DOCKET NO.

03-00344

INTERVENORS' REQUEST FOR AUDIT OF SS7 CHARGES

Summary

Approximately one year ago, the Tennessee Regulatory Authority approved a new tariff that allowed BellSouth to begin per message charges for its CCS7 (common channel signaling system 7) service, which are signaling messages that accompany every telephone call. In response to questions and concerns raised by intervening parties, BellSouth promised that the tariff would be "revenue neutral" and offered to submit to a "reasonable periodic review" of the implementation of the tariff.

The Intervenor¹ now request that BellSouth, as promised, submit to an audit concerning the implementation of this tariff during the past twelve months. Such review should be conducted either by the Authority Staff or by an independent auditor selected by the Authority.

¹ This request is being made by XO Tennessee, Inc. which is already a party to this proceeding and by AT&T Communications of the South Central States L.L.C., which is filing a separate petition to intervene.

Background

The above-captioned tariff was filed by BellSouth Telecommunications, Inc. ("BellSouth") on January 7, 2002. In the tariff, BellSouth proposed to begin charging for CCS7 services. These signals are used to set up calls, access various databases and carry information necessary to route calls to the appropriate service providers. Every telephone call involves sending as many as half-a-dozen CCS7 messages. Under the proposed tariff, BellSouth would collect a fraction of a cent for each message. BellSouth also proposed to reduce local switching rates so that the net impact of the tariff would be "revenue neutral," or nearly so, to BellSouth. See Order of June 28, 2002.

When BellSouth filed the tariff, several competing local exchange carriers filed petitions to intervene and asked the Authority to suspend the proposed tariff pending further investigation. The Intervenors were concerned, among other things, that BellSouth implement the new charges on a uniform and non-discriminatory basis, charging all carriers for CCS7 messages but not charging for the same message twice. The Intervenors also wanted reassurance that the tariff, as applied, would be revenue neutral. During a regularly scheduled agenda conference on May 7, 2002, counsel for BellSouth assured the Authority that there would be no double billing, that the tariff was designed to be revenue neutral, and that BellSouth "would have no objection to any sort of reasonable periodic review." Transcript, at 37. A few minutes later, counsel for BellSouth repeated, "So we would ask that you approve the tariff this morning. And, again, we have no objection to some sort of a reasonable periodic review as to whether or not the filing is, in fact, revenue neutral." Id. In a brief filed nine days later, BellSouth repeated the offer a third time: "BellSouth's good faith offer in that regard stands." Response to Joint Petition, at 3-4. Following these representations the TRA voted at the next agenda conference to approve BellSouth's tariff.

Argument

The Intervenors now ask that the Authority accept BellSouth's offer to submit to a review of the tariff's impact to insure that the tariff is being properly applied and that the revenue it generates is offset by the reduction in switching charges. Since BellSouth does not provide detailed billing for a carrier to audit these charges, it is virtually impossible for a carrier to know whether it is being properly charged, whether other carriers are also being charged, or whether some messages are being billed more than once. See Transcript of May 7, 2003 conference at 34. That information can only be determined by an audit of BellSouth's CCS7 charges.

The Intervenors propose that the audit be conducted either by the TRA Staff or by an independent auditor selected by the Authority. Since BellSouth agreed to this "periodic review" in order to obtain approval of the tariff, BellSouth should bear the cost of the audit.²

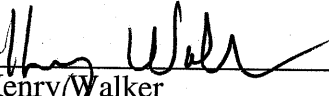
Conclusion

For these reasons, the Intervenors now request that the Authority order BellSouth to submit to an audit regarding the implementation of this tariff during the past twelve months. The results of that audit should be filed in this docket for review and comment by all parties.

² In the investigation of BellSouth's Operational Support Systems for example, the Authority voted to hire an outside consultant to test BellSouth's systems and determined that, as the party seeking TRA approval, BellSouth should pay for the consultant. See Docket 01-00362, "First Report and Recommendation of Pre-Hearing Officer, "May 3, 2001, at 5. Affirmed by Order of the TRA, July 27, 2001.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been forwarded via U.S. mail, postage prepaid, to the following on this the 14th day of May, 2003.

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